



January 26, 2007

HOUSE BILL No. 1165

DIGEST OF HB 1165 (Updated January 24, 2007 4:37 pm - DI 92)

Citations Affected: IC 6-3; noncode.

Synopsis: Tax credit for truck auxiliary power unit. Provides an income tax credit to a taxpayer for purchasing and installing an auxiliary power unit in the taxpayer's qualified motor vehicle. Provides that a qualified motor vehicle is a motor vehicle that is classified as a heavy duty vehicle under federal law and is equipped with a sleeping compartment.

Effective: January 1, 2007 (retroactive).

Cochran, Kuzman

January 11, 2007, read first time and referred to Committee on Ways and Means.
January 26, 2007, amended, reported — Do Pass.

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HB 1165—LS 6432/DI 114+



January 26, 2007

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1165

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3-3-13 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2007 (RETROACTIVE)]: **Sec. 13. (a) As used in this**
4 **section, "auxiliary power unit" means a portable, truck mounted**
5 **system that provides climate control and power for a qualified**
6 **motor vehicle that is not idling.**

7 **(b) As used in this section, "qualified motor vehicle" means a**
8 **motor vehicle that:**

9 **(1) when used with a trailer or semitrailer is classified by the**
10 **United States Department of Transportation Federal**
11 **Highway Administration as a heavy duty vehicle in vehicle**
12 **class 8 through vehicle class 13; and**

13 **(2) is equipped with a sleeping compartment.**

14 **(c) As used in this section, "pass through entity" means a:**

15 **(1) corporation that is exempt from the adjusted gross income**
16 **tax under IC 6-3-2-2.8(2);**

17 **(2) partnership;**

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- (3) trust;
- (4) limited liability company; or
- (5) limited liability partnership.

(d) As used in this section, "taxpayer" means an individual, a corporation, a partnership, or other entity that has state tax liability.

(e) As used in this section, "total unit cost" means the taxpayer's purchase price of the auxiliary power unit plus the taxpayer's cost to install the auxiliary power unit in the taxpayer's qualified motor vehicle.

(f) A taxpayer is entitled to a credit against the taxpayer's adjusted gross income tax liability imposed by IC 6-3-1 through IC 6-3-7 for each auxiliary power unit first placed in service by the taxpayer after December 31, 2006. A taxpayer may not claim a credit under this section for an auxiliary power unit for which the taxpayer has previously claimed a credit.

(g) The amount of the credit is equal to twenty percent (20%) of the taxpayer's total unit cost for each auxiliary power unit placed in service by the taxpayer in a taxable year.

(h) A taxpayer entitled to a credit under this section must claim:

- (1) one-half (1/2) of the credit in the taxable year in which the auxiliary power unit was placed in service; and
- (2) one-half (1/2) of the credit in the taxable year following the year described in subdivision (1).

(i) To obtain the credit provided by this section, the taxpayer must:

- (1) claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department;
- (2) submit the vehicle identification number of the qualified motor vehicle that contains the auxiliary power unit for which a credit is being claimed; and
- (3) submit to the department proof of all information that the department determines is necessary for the calculation of the credit.

(j) A taxpayer is not entitled to a credit under this section if the auxiliary power unit for which the credit is being claimed was purchased for the purpose of resale.

(k) If a pass through entity does not have adjusted gross income tax liability against which the credit may be applied, a shareholder or partner of the pass through entity is entitled to a credit equal to:

- (1) the credit determined for the pass through entity for the taxable year; multiplied by

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1 (2) the percentage of the pass through entity's distributive
 2 income to which the shareholder or partner is entitled.
 3 SECTION 2. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]
 4 **IC 6-3-3-13, as added by this act, applies to taxable years beginning**
 5 **after December 31, 2006.**
 6 SECTION 3. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1165, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 5, delete "commercial" and insert "**qualified**".

Page 1, line 7, delete ""commercial" and insert ""**qualified**".

Page 1, line 7, delete "has the" and insert "**means a motor vehicle that:**

(1) when used with a trailer or semitrailer is classified by the United States Department of Transportation Federal Highway Administration as a heavy duty vehicle in vehicle class 8 through vehicle class 13; and

(2) is equipped with a sleeping compartment."

Page 1, delete line 8.

Page 2, line 4, delete "commercial" and insert "**qualified**".

Page 2, line 25, delete "commercial" and insert "**qualified**".

and when so amended that said bill do pass.

(Reference is to HB 1165 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 23, nays 0.

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